

MINUTES

Legislative Planning



Representative Scott Munsterman, Chair
Senator Mike Vehle, Vice Chair

Second Meeting, 2016 Interim
Monday, June 20, 2016

Room 412 – State Capitol
Pierre, SD

The second meeting of the Legislative Planning Committee was called to order by Representative Scott Munsterman, Chair, at 10:00 a.m. (CDT), on Monday, June 20, 2016, in Room 412 of the State Capitol in Pierre, South Dakota.

The following members answered the roll call: Representative Scott Munsterman, Chair; Senator Mike Vehle, Vice Chair; Senator Scott Parsley; Representatives Jacqueline Sly and Dean Wink. Members excused: Senators Gary Cammack, Terri Haverly and Ried Holien; Representatives Shawn Bordeaux and Kristin Conzet.

Staff members present included Clare Charlson, Principal Research Analyst; Stephanie Gruba, Fiscal Analyst; and Paul Giovanetti, Senior Legislative Secretary.

NOTE: For purpose of continuity, the following minutes are not necessarily in chronological order. Also, all referenced documents distributed at the meeting are attached to the original minutes on file in the Legislative Research Council office. This meeting was web cast live. The archived web cast is available at the LRC web site at <http://sdlegislature.gov>.

Opening Remarks

Representative Scott Munsterman provided an overview of the Performance Management Review Process. The committee will work with each agency to help the agency identify its goals and accompanying performance measures.

Senator Mike Vehle stated that key to the Performance Management Review Process are the indicators that each agency will be measuring. An agency needs to identify its goals, how the agency is going to meet its goals, and how the agency will know it is meeting its goals through key indicators. If the agency is not meeting its goals, what can the Legislature do to help the agency meet its goals? All of this information is helpful to the Legislature because as legislators we want to help agencies meet goals and better serve the citizens of South Dakota.

Representative Dean Wink stated that the committee is off to a great start after the last meeting in developing the Performance Management Review Process.

Senator Scott Parsley stated that it is good to have the agencies do the planning. The last meeting set the baseline for what the committee is expecting from the agencies through the performance management review process.

Representative Jacqueline Sly stated that the committee is off to a good start, and this is the starting point of a new process that the committee is developing and will continue to shape into an established process.

Performance Management Review Process

Department of Agriculture

Mr. Kyle Holt, Deputy Secretary, Department of Agriculture, provided an overview of the changes the department has faced over the last year with Secretary Lentsch leaving the department and the new incoming Secretary, Mike Jaspers, coming in July.

Mr. Chris Petersen, Director of Fiscal Office, Department of Agriculture, stated that the Department of Agriculture consists of six main divisions: the Office of the Secretary, Agricultural Development, Agricultural Services, Resource Conservation & Forestry, Wildland Fire, and State Fair Park. Each division has a unique and different role within the department which adds to the complexity of the department in developing a strategic plan. Each division has developed a distinct strategic plan for the division. ([Document #1](#)) The challenge for the department is to develop and present to the Legislature the six key indicators that can measure the overall goals of the department, while at the same time capturing the diversity of each division. There are also boards and commissions that have a direct impact on agriculture in the state that the department does not control.

Representative Wink asked if there was a breakdown of the number of full time equivalents (FTE) by division. Mr. Petersen replied that the department has between 117 and 119 FTE. The breakdown by division is as follows: the Office of the Secretary has 10 FTE, Agricultural Development has 9 FTE, Agricultural Services has 26 FTE, Resource Conservation & Forestry has 20 FTE, Wildland Fire has 40 FTE, and State Fair Park has 9 FTE.

Representative Sly asked how much federal funding the department receives and if that has decreased with the federal government giving less money to states. Mr. Petersen replied that there are two divisions that are funded through federal dollars. The Divisions of Resource Conservation & Forestry and Wildland Fire work actively with the United States Forestry Services. The funding is fifty percent federal and fifty percent state funding. Due to the amount of federal funds received by these two divisions, the department has a wealth of data to be utilized as key indicators. The Division of Agricultural Services applies for some small USDA and EPA Grants, which amount to approximately ten percent of its budget. The challenge with federal funding is that the money has to be used for specific purposes.

Representative Wink stated that the Legislature has provided a large amount of money to fight the pine beetle infestation in the Black Hills, and asked how much money the federal government has contributed to address this problem. Mr. Petersen replied that the Legislature has appropriated a total of \$9 million to address this problem. However, the federal government has only appropriated \$900,000.

Representative Wink discussed two prescribed burns that ended up damaging personal property in recent years and asked what can be done to reduce the damage to civilians and private property when there are prescribed burns in the Black Hills. Mr. Holt replied that the controlled burns in the Black Hills

are used to prevent wildfires. The two scenarios where the burns got out of control were not burns managed by the Division of Wildland Fires but rather by the U. S. Forestry Service.

Mr. Petersen stated that the Office of the Secretary is focusing on consolidating the missions, values, and goals from each division and creating central measurable goals for the department.

Representative Munsterman stated that the department needs to develop a high-level overview for legislators that shows the overall goals of the department. There are four categories that were discussed: Promotion, Environment/ Natural Resources, Regulations, and Agriculture Service. The performance measures for these categories may come from different divisions or from outside boards or commissions. Mr. Petersen replied that there are a number of metrics used in the department. The goal is to find the measures that apply overall to the department. With the new incoming secretary, this is a good time for the department to develop the performance measures and address the change.

Senator Vehle stated that agriculture is the number one industry in the state, and asked if the department has worked with the division directors to develop a strategic plan for the whole department. The divisions' strategic plans should filter up to the department level. The goal is to provide the Legislature with a two-page summary stating the department's goals, performance indicators, and lastly, if the department is meeting those goals. Mr. Petersen replied that they have discussed bringing together the divisions in building the departments goals and strategic plan.

Representative Munsterman stated that, later in the fall, the committee should meet again with representative of the Department of Agriculture, and have them present their plan with the incoming secretary.

Department of Environment and Natural Resources

Mr. Steven M. Pirner, Secretary, Department of Environment and Natural Resources (DENR), introduced the department's mission, vision, and goals. ([Document #2](#)) The department has three goals: protect public health and the environment; maintain a business-friendly climate; and treat everyone as our customer. The department employs 180 FTE that fall under two divisions: the Division of Environmental Services, which is the regulatory division, and the Division of Financial and Technical Assistance, which handles the financial aspect of the department. There are three regulatory boards which are independent of the department: the Board of Water Management; the Board of Water & Natural Resources; and the Board of Minerals and Environment. DENR is a diverse department with expertise in the environment and natural resource fields of study. The department has four main principles on public service: ethics, customer service, natural resources stewardship, and employee excellence. DENR annually submits three major planning efforts. First, the department completes the multi-year performance partnership agreement with the Environmental Protection Agency (EPA) to ensure that federal environmental programs administered in South Dakota meet the federal program requirements. The second planning effort is the development of the state budget for the department with the Bureau of Finance and Management and the Governor's Office. The last planning effort is the department's development of the State Water Plan, which is presented to the Board of Water and Natural Resources. The department has developed Outcome and Indicator Metrics which take the three department goals and assign measurable outcomes that facilitate the department meeting each goal. Each outcome has a direct indicator or performance measure used to assess the outcome.

The committee discussed the outcomes and indicators presented. The committee addressed the outcome regarding water quality and the indicator used to assess that outcome being the total number of fish killed annually by pollutants. Members of the committee suggested that the department develop a new indicator that would include components of the water quality that are reported to the EPA.

Representative Munsterman stated that, later in the fall, the committee should meet again with Secretary Pirner to review the updated plan.

Department of Education

Dr. Melody Schopp, Secretary, Department of Education, presented the department's strategic plan. ([Document #3](#)) The department has four goals to ensure that students are college, career and life ready. These goals are: (1) that students enter the fourth grade proficient in reading; (2) that students enter the ninth grade proficient in math; (3) that Native American students see increased academic success; and (4) that students graduate high school ready for postsecondary education and the workforce. Each goal has performance measures that can be evaluated with a six-year target set by the department. The Smarter Balance test data is used to assess how students are progressing over time. In 2015, the test results developed the baseline for all areas. Targets were developed using the data from 2015 for where the department wants students to be in 2021. The preliminary results from the 2016 tests have been received and show improvement in all areas, but not meeting the targets set by the department. ([Document #4](#)).

Representative Sly asked if the universities require certain cut scores before a student can enter the school. Secretary Schopp replied that the schools do have cut scores for admissions. A student must score a 20 in Language Arts, and an 18 in Math on the ACT. The biggest predictor of a student's success is the student's grade point average. The department is looking at other ways to engage students during their senior year to encourage continued learning.

Representative Wink stated that billboards encouraging school attendance are up in Rapid City and asked if this was a part of the department's campaign. Secretary Schopp replied that it was not the department's campaign, but rather the local school district's. Attendance is another aspect of the school's report card from the state. The department has started to calculate attendance differently and the score is based on the percentage of days the school is meeting the 94% attendance rate.

Senator Parsley asked how many schools have an attendance policy. Secretary Schopp replied that every school district has a different policy and there is no way to monitor how the school tracks its students through the statewide system.

Senator Vehle commended the department in developing the strategic plan and their performance measures.

Planning of Future Meetings

The committee agreed that the next meeting will be on August 1, 2016, in Pierre.

Adjournment

SENATOR VEHLE MOVED, SECONDED BY SENATOR PARSLEY, TO ADJOURN. The motion prevailed unanimously on a voice vote.

The committee adjourned at 3:00 p.m.